Monthly Progress Report #26 August 2006

Falcon Refinery Superfund Site Ingleside San Patricio County, Texas TXD 086 278 058

Prepared for

National Oil and Recovery Corporation 3717 Bowne Street Flushing, NY 11354

September 10, 2006

Prepared by

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Falcon Refinery

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1.0 INTRODUCTION

This twenty-sixth Monthly Progress Report is submitted in accordance with the Falcon Refinery Site Administrative Orders on Consent for Removal Action and Remedial Investigation / Feasibility Study between the U.S. Environmental Protection Agency (U.S. EPA) and National Oil and Recovery Corporation (NORCO).

This Monthly Progress Report and subsequent reports will address activities associated with both of the orders.

The next monthly progress report, covering September 2006 will be submitted on or before October 10, 2006.

2.0 COMPLETED ACTIVITIES

2.1 Removal Action Activities

Approximately 150,000 gallons of liquid waste were removed and properly disposed during the month from Tank 26. To date a total of approximately 5,103,727 gallons of hazardous waste have been removed from the tanks and disposed of at the Texas Molecular deep well injection well. Original waste manifests are available at the Kleinfelder office in Austin. A compilation of hazardous liquid waste disposal is included as Table 1.

A report describing the pipeline cleanout and abandonment in the adjacent wetlands was submitted to the EPA on August 14. The report will be included in a future monthly progress report after the EPA approves the report.

An old hydrocarbon spill area was cleaned on August 25th. The spill, which resulted from overhead piping, was contained on concrete in the former process area of the refinery. During an inspection by the TCEQ in July 2006 the stained concrete was noted and the TCEQ requested a cleanup of the area.

To clean the stained concrete power washers and absorbent pads were used on the concrete. During the process all water used by the power washer was contained on the concrete and then transferred to drums prior to disposal.

2.2 Remedial Investigation / Feasibility Study (RI/FS)

The RI/FS Work Plan, Quality Assurance Project Plan, and Field Sampling Plan and an updated project schedule were submitted to the EPA on July 7, 2006.

3.0 CHANGES MADE IN THE PLANS DURING THE REPORTING PERIOD

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None this reporting period.

4.0 COMMUNITY RELATIONS

None this reporting period.

5.0 CHANGES IN PERSONNEL DURING THE REPORTING PERIOD

None this reporting period.

6.0 LIST OF PROJECTED WORK FOR THE NEXT TWO MONTHS

6.1 Removal Action Work projected for the next two months includes:

- Continuing the removal and disposal of liquids from the storage tanks and pipelines at the anticipated rate of approximately 150,000 gallons a month;
- Removal of debris; and
- Continued site maintenance.

6.2 RI/FS Work projected for the next two months includes:

- Making amendments to the RI/FS Work Plan and submitting the final RI/FS Work Plan; and
- Making amendments to and submitting the Field Sampling Plan and the Quality Assurance Project Plan.

7.0 LABORATORY / MONITORING DATA

None this reporting period.

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TABLES Table 1 **Hazardous Liquid Waste Disposal**

| DISPOSAL FACILITY | ADDRESS | PHONE NO. | EPA ID NO. | CONTACT |
|------------------------|--------------------|--------------|--------------|------------------|
| Texas Molecular Corpus | 6901 Greenwood Dr. | | | |
| Christi Services, LP | Corpus Christi, TX | 361-852-8284 | TXR000001016 | Robert Rodriguez |

RQ, HAZARDOUS WASTE LIQUID N.O.S., 9, UN3082, III (D007, D008, D018)

| Month | Volume (gal) | | |
|-------------|--------------|--|--|
| October-04 | 53,832 | | |
| November-04 | 734,763 | | |
| December-04 | 879,158 | | |
| January-05 | 783,881 | | |
| February-05 | 551,444 | | |
| March-05 | 565,489 | | |
| April-05 | 445,107 | | |
| May-05 | 471,311 | | |
| December-05 | 42,550 | | |
| January-06 | 58,740 | | |
| February-06 | 59,140 | | |
| March-06 | 0 | | |
| April-06 | 57,421 | | |
| May-06 | 59,763 | | |
| June-06 | 73,876 | | |
| July-06 | 118,743 | | |
| August-06 | 148,509 | | |
| Total | 5,103,727 | | |

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Table 2 Metal Disposal

| DISPOSAL FACILITY | ADDRESS | PHONE NO. | EPA ID NO. | CONTACT |
|---------------------------------|--------------------|--------------|------------|---------|
| | 4614 Agnes St | | | |
| Commercial Metal Company | Corpus Christi, TX | 361-884-4071 | None | David |

RECYCLED METAL

| Month | Volume (lbs) | | |
|-------------|--------------|--|--|
| October-04 | 0 | | |
| November-04 | 16,820 | | |
| December-04 | 19,640 | | |
| January-05 | 31,380 | | |
| February-05 | 0 | | |
| Total | 67,840 | | |

FIRE EXTINGUISHERS

| Month | Quantity | |
|-------------|----------|--|
| December-04 | 10 | |
| Total | 10 | |

Industrial Fire & Safety Co. removed 10 fire extinguishers from the job site. The powder was disposed of properly and the metal went to salvage.

Table 3
Contaminated Soil and Oily Debris Disposal

| DISPOSAL FACILITY | ADDRESS | PHONE NO. | EPA ID NO. | CONTACT |
|-------------------------|--------------|--------------|--------------|----------------|
| | P.O. Box 307 | | | |
| U.S. Ecology Texas L.P. | Robstown, TX | 361-387-3518 | TXD069452340 | Glenda Felkner |

PETROLEUM CONTAMINATED SOIL AND OILY DEBRIS

| Month | Volume (cy) | | |
|-------------|-------------|--|--|
| October-04 | 0 | | |
| November-04 | 0 | | |
| December-04 | 40 | | |
| January-05 | 0 | | |
| February-05 | 0 | | |
| Total | 40 | | |

RQ, HAZARDOUS WASTE SOLID, N.O.S., LEAD, 9 NA3077, PGIII (OILY SLUDGE AND SOIL)

| Month | Volume (cy) | |
|-------------|-------------|--|
| February-05 | 15 | |
| Total | 15 | |

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Table 4 Oil and Filter Disposal

| DISPOSAL FACILITY | ADDRESS | PHONE NO. | EPA ID NO. | CONTACT |
|--|---|--------------|--------------|------------------|
| Texas Molecular Corpus Christi Services, LP | 6901 Greenwood Dr Corpus Christi, TX | 361-852-8284 | TXR000001016 | Robert Rodriguez |
| | | | | |
| | Month | Volume (gal) | | |
| | January-05 | 403 | | |
| | February-05 | 0 | | |
| | Total | 403 | | |
| DISPOSAL FACILITY | ADDRESS | PHONE NO. | EPA ID NO. | CONTACT |
| Midstate Environmental Services, LLC | 2203 Tower Road Robstown, TX | 361-387-2171 | TXR000051227 | Lloyd Cooke |

RECYLCED OIL AND FILTERS

| Month | Volume (gal) | | |
|-------------|--------------|--|--|
| January-05 | 16,651 | | |
| February-05 | 0 | | |
| Total | 16.651 | | |